

April 15, 2015

The Honorable Orrin G. Hatch, Chairman  
The Honorable Ron Wyden, Ranking Member  
Senate Committee on Finance |  
219 Dirksen Senate Office Building  
Washington, D.C. 20510-6200

**RE: Comments for Community Development & Infrastructure Tax Reform Group**

Dear Chairman Hatch and Ranking Member Wyden:

On behalf of the Confederated Tribes of the Chehalis Reservation (“Chehalis Tribe”), I would like to encourage the Committee on Finance to include certain changes to the New Markets Tax Credit (26 U.S.C. § 45(D)) (“NMTC”) in any proposal the Committee puts forward to reform the tax code. As you know, Congress established the NMTC in 2000 to spur new or increased investments in infrastructure in low income communities. The program has been a successful tool for attracting private capital to Indian country.

The Chehalis Tribe is a federally-recognized Indian tribe that governs a reservation at the confluence, and within the floodplain, of the Black and Chehalis Rivers in Southwest Washington State. The Chehalis Reservation constitutes approximately 4,200 acres of the Tribe’s aboriginal homelands and was created by Secretarial Order in 1864 for “the use of the Chehalis Indians.” In addition, the Chehalis Tribe has additional non-contiguous Reservation trust land located in Thurston and Grays Harbor Counties. The Tribe has approximately 800 enrolled members, three hundred of whom are under the age of 18.

The Chehalis Tribe has been a leader in Indian country for innovative economic development. In 2005, the Tribe and Great Wolf Resorts, Inc., a non-Indian publicly-traded corporation and the nation’s leading family of indoor water park resorts, developed 39 acres of a 42.99 acre tribal trust land parcel adjacent to Interstate 5 in Grand Mound, Washington, into a Great Wolf Lodge destination conference center, hotel and water park. The Great Wolf Lodge on the Chehalis Reservation opened in April 2008 and is the only Great Wolf Resorts property located on an Indian reservation.

Increased economic development has also increased the need for infrastructure, both on the Chehalis Reservation and in the surrounding communities. For that reason, the Tribe supports tax code provisions that would promote infrastructure development in our communities, such as the NMTC program.

Since Congress established the tax credit in 2000, the NMTC program has funded very few projects in Indian country. We believe that the program should be modified to ensure that its benefits are better deployed in tribal communities. In our view, this can be accomplished in at

least two ways. First, 26 U.S.C. § 45(D)(i)(6) could be amended to direct the Department of Treasury to prescribe regulations to ensure that Indian reservations (as well as non-metropolitan areas) receive an allocation of tax credits. The National Congress of American Indians has suggested this approach and we urge the Committee to include this concept in any proposal that amends section 45(D)(i)(6).

Another approach would be to incentivize the allocation by Community Development Entities (“CDEs”) of tax credits under the NMTC program to projects in Indian country. This could involve a modification to the CDFI Fund regulations or practice. For example, CDEs that allocate tax credits to Indian tribes in one year could receive more favorable consideration by Treasury when applying for the tax credits the following year. We encourage the Committee to raise this issue with the Senate Banking Committee as it moves forward with its reform efforts.

I appreciate the opportunity to provide these comments to the Committee. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Don Secena", followed by a horizontal line extending to the right.

Don Secena  
CHAIRMAN

cc: The Honorable Patty Murray  
The Honorable Maria Cantwell